



IDEM Permit Guide

Air Operating Permits

Who May Need An Air Operating Permit

All sources of regulated air pollutants except those that are exempt from all permitting requirements must conform to certain monitoring and record keeping requirements and operating conditions required by IDEM. Those requirements and conditions are contained in the source's operating permit.

Operating Permit Scenarios

New sources are transitioned, if required, into an air operating permit through the air construction permit program. Then, like any other existing source they operate under one of the following scenarios; they:

1. Operate under the conditions spelled out in their source Registration,
2. Operate under Minor Source Operating Permit (MSOP, issued as a State Operating Permit prior to December 1998) or a Federally Enforceable State Operating Permit (FESOP) within the state operating permit program,
3. Operate under one of IDEM's alternative operating permit programs; the Permit-by-Rule or the Source Specific Operating Agreement (SSOA),
4. Operate under the federal Title V Operating Permit program (under Title V, Part 70 of the Clean Air Act of 1990),
5. Operate under a State Operating Permit (no longer issued after December 25, 1998), while their application for a Title V Operating Permit is under review (The Clean Air Act of 1990 required that Indiana issue a Title V Operating Permit to all major Title V eligible sources by December 31, 2000. Although the majority of Title V permit decisions were issued by that deadline, a number of the more complex application reviews are still pending. Until then, Title V sources are categorized into two groups, those with pending applications and those with issued permits.),
6. Operate temporarily under a MSOP which was issued with the understanding the applicant would have to apply for a Title V Operating Permit within 12 months,
7. Operate under their existing operating permit while their application for a higher level, lower level, operating permit is under review (For those existing sources which have made source modifications that make them eligible for a new, different level of operating permit), or
8. Operate under their existing operating permit while their application to operate under an alternative permit program is under review.

The Permitting Hierarchy

As mentioned above, there are several levels or types of air operation permits. Like all air permitting programs, air operating permits have a permit hierarchy, or series of permits regulating increasingly higher levels of potential to emit of the various regulated pollutants. The hierarchy (from lowest to highest) of operating permits is:

- Exemption
 - Registration
 - Minor Source Operating Permit (MSOP)
 - Federally Enforceable State Operating Permit (FESOP)
 - Title V (major source) Operating Permit

As also mentioned above, there are two alternative operating approval programs. However, these two types of approvals do not fit neatly into the ascending/descending scale of operating permits listed in the hierarchy above. That is because they are based on something other than the potential to emit. Permit-by-Rule is based on actual emissions while the Source Specific Operating Agreement (SSOA) program is sector based, allowing limited levels of pollutants to be emitted by sources undertaking specific activities within a certain scale of operations.

<http://www.IN.gov/idem/guides/permit/air/aioperatingpermits.html>

Operating Under the Authority of Exemptions and Registrations

Exemption

Sources which are exempt are not required to obtain prior approval from IDEM to construct, operate, or modify the source or an emission unit of that source so long as the potential to emit of the source remains beneath registration thresholds.

The exemption applies to those sources with a potential to emit of less than; 10 TPY (tons per year) of Volatile Organic Compounds for sources not required to use air pollution control equipment to comply with the VOC emission rules, 5 TPY of Volatile Organic Compounds for sources that are required to use air pollution control equipment to comply with the VOC emission rules, 25 TPY of carbon monoxide, 10 TPY of NOX (Nitrogen dioxide and oxides of nitrogen) or sulfur dioxide, 0.2 TPY of lead, or 5 TPY or particulate matter, particulate matter smaller than 10 microns, fluorides, hydrogen sulfide, total reduced sulfur, and reduced sulfur compounds.

A source which submits an application prior to initial construction and/or subsequent construction modifications which demonstrates to IDEM, or from which IDEM may determine, that the potential to emit of the source is below all the registration thresholds will be provided with a letter of Exemption from IDEM. The letter indicates that the source is exempt from construction conditions or requirements for the equipment in the application. The letter gives the source authority to operate so long as the source does not engage in further construction which expands its potential to emit above registration threshold levels or beyond.

Registration (Operating Conditions in a Construction Permit)

Any source with a potential to emit less than 100 tons per year (TPY) of carbon monoxide, or 5 TPY of lead, or 10 TPY of a single hazardous air pollutant (HAP), or 25 TPY of a combination of HAPs, or 25 TPY of any other regulated pollutants is required to register the source with IDEM. An operating permit is not necessary for these sources since operating conditions will be included in the Registration.

Types of Operating Programs

Minor Source Operating Permit

Any source which is issued a New Source Construction Permit [that is, any source with a potential to emit equal to or more than 100 tons per year (TPY) of carbon monoxide, 5 TPY of lead, 10 TPY of a single hazardous air pollutant (HAP), 25 TPY of a combination of HAPs, or 25 TPY of any other regulated pollutants (see registration threshold table) is automatically transitioned into an operating permit program. Those sources whose potential to emit is below Title V "major source" thresholds are transitioned into the Minor Source Operating Permit Program.

Federally Enforceable State Operating Permit (FESOP)

Sources whose potential to emit any regulated air pollutant exceeds Title V (major source) thresholds must operate under a Title V permit. However, a source can avoid designation as a major source by accepting limits on solvent or fuel usage, raw material put through, hours of operation, or by using particulate air pollution control devices, and operate under a Federally Enforceable State Operating Permit, in lieu of a Title V permit.

Why would a source want to accept such limits? Because it can reduce the complexity, and perhaps, the cost of the permitting process. For example, a new source which chooses a FESOP over a Title V permit can cut the permit application (and renewal application) review time in half (from 18 months to 9 months). The permit also will undergo limited rather than extensive review by EPA, and the annual fees for a FESOP can be substantially less than Title V fees.

Title V Operating Permit

The potential to emit thresholds which qualify a source as a major source requiring a Title V Operating Permit are:

<http://www.IN.gov/idem/guides/permit/air/aioperatingpermits.html>

Type of Pollutant	Title V (Major Source) Potential to Emit Threshold (in Tons Per Year)
Volatile organic compounds (VOCs) (Related to ozone formation)	100 TPY25 TPY in Lake and Porter Counties
Nitrogen dioxide and oxides of nitrogen (NOX) (Related to ozone formation)	100 TPY25 TPY in Lake and Porter Counties
Sulfur dioxide	100 TPY
Carbon monoxide	100 TPY
Particulate matter (PM) and Particulate matter smaller than 10 microns (PM-10)	100 TPY
Lead	10 TPY
A single hazardous air pollutant (HAP)	10 TPY
A combination of HAPs	25 TPY

Source Specific Operating Agreements (SSOAs)

IDEM also has a Source Specific Operating Agreements (SSOAs) program under which specific types of activities may operate, provided they accept the pre-established terms of the SSOA "as is." Although a source may not simultaneously operate under more than one of the same type of SSOA or under a SSOA and some other type of operating permit (such as operating under a SSOA and a FESOP) sources can operate under up to 4 different SSOAs, so long as the total potential to emit for any regulated pollutant, as limited by the SSOAs, does not exceed major source levels. In all, there are 23 separate SSOAs available to applicants, covering 13 specific types of activities. Although final issuance of a SSOA is appealable, there is no public comment period. Except for coal mining and some stone crushing facilities, SSOAs do not have an annual fee but must file an annual Compliance Certification. SSOAs also do not need to be renewed so long as the source complies with the operational limits in the agreement.

Those operating under a SSOA not only avoid participation in an operating permit program, but in some instances can also avoid the need for a construction permit because certain SSOAs limit emissions to below 25 tons per year (TPY), which is the construction permit (New Source Construction Permit) threshold. However, the annual "actual emission" limits of SSOAs range from equal to or less than 2 TPY for the Surface Coatings or Graphic Arts in Lake or Porter County SSOA to the equal to or less than 100 TPY limit for large Sand and Gravel or for Coal Mine or Coal Preparation SSOAs.

Permit-by-Rule (326 IAC 2-10)

Those sources whose actual emissions (not potential to emit), without the use of pollution control devices, are less than 20-percent of the major source thresholds for a Title V Operating Permit, may operate under a Permit-by-Rule. In other words, sources located within an attainment area that have actual emissions of less than 20 tons per year (TPY) of carbon monoxide, oxides of nitrogen (NOX), sulfur dioxide (SO₂), volatile organic compounds (VOCs), particulate matter, or particulate matter smaller than 10 microns (PM-10), less than 2 TPY of lead or any other single hazardous air pollutant (HAP), or 5 TPY of a combination of HAPs are eligible to operate under a Permit-by-Rule.

Similarly, if a source is located in an area where major source threshold levels for a specific pollutant have been lowered because that area is in non-attainment for that pollutant, then a source must have actual emissions that are less than 20-percent of the area-specific threshold in order to participate in the Permit-by-Rule program. For example, sources located within Lake or Porter Counties where 25 TPY is the major source threshold for VOCs (because those counties are in non-attainment for VOCs) would have to have actual emissions for VOCs of less than 5 TPY to qualify to participate in the Permit-by-Rule program.

Sources must have current New Source Review (construction) permits in place, and be operating under the conditions therein, for at least 12 months before they may operate under the Permit-by-Rule. In other words, sources which might have actual emissions which are low enough to allow them to operate under the Permit-by-Rule must first operate for one year under the conditions or requirements associated with a Registration or New Source Construction Permit which itself may have been transitioned into a Minor Source Operating Permit (MSOP), Federally Enforceable State Operating Permit (FESOP), or Title V

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Operating Permit (TVOP).

If, during this operating period records on production, fuel and materials usage, or other variables demonstrate conclusively that the actual emissions of the source were less than 20-percent of major source threshold levels, and the source is confident it will be able to consistently demonstrate such compliance over any 12 month period, the source may be eligible to operate under Permit-by-Rule in lieu of the operating conditions of its construction permit or MSOP, FESOP, or TVOP; all of which are based on the potential to emit rather than on actual emissions. Sources operating under a Source Specific Operating Agreement (SSOA) also may opt to operate instead under the Permit-by-Rule.

Eligible sources wishing to operate under the Permit-by-Rule must first request that IDEM revoke their current operating permit. Sources operating under the Permit-by-Rule also need not request IDEM-approval for future source modifications so long as actual emissions remain less than 20-percent of major source threshold levels [20 tons per year (TPY) of carbon monoxide, oxides of nitrogen (NOX), sulfur dioxide (SO₂), volatile organic compounds (VOCs), particulate matter, or particulate matter smaller than 10 microns (PM-10), and less than 2 TPY of lead or any other single hazardous air pollutant(HAP), or 5 TPY of a combination of HAPs], except that source modifications subject to federal requirements must still be pre-approved. Source modifications which would raise the actual emissions above 20-percent of the major source threshold levels would require that the source transition into a different operating permit program, and such modifications must be pre-approved.

Again, sources opting to operate under the Permit-by-Rule must be able to demonstrate compliance for every 12 month period, within 30 days of receiving a request from IDEM or U.S. EPA. There also are Permit-by-Rule programs for specific source categories (See: 326 IAC 2-11) (scroll to the bottom of page 163); gasoline dispensing operations, grain elevators, and grain processing or milling.

Some of the things a source must do to comply with the air operating permit program include (but are not limited to):

- New sources with a potential to emit which is above Registration levels should anticipate they will be transitioned into the appropriate operating permit program once they execute the Affidavit of Construction at the completion of any construction approved by IDEM under a New Source Construction Permit or Federal Construction Permit;
- Existing sources which make source or permit modifications may be required to transition into a different operating permit program;
- Sources must comply with the conditions of their permits;
- Sources with an MSOP, FESOP, or Title V Operating Permit must pay annual fees; and
- Sources with an MSOP, FESOP, or Title V Operating Permit must apply to renew their permit every five years. Applications for FESOP and Title V renewals must be submitted 9 months prior to the expiration of the existing permit. MSOP renewal applications are due 90 days prior to the expiration of the existing permit.

What to Expect

The Clean Air Act required that all Title V applications received by IDEM prior to June 30, 1999 be reviewed, and a permitting decision issued, by December 31, 2000. Although the majority of Title V permit decisions were issued by that deadline, a number of the more complex application reviews are still pending .

Review of new or renewal Title V applications can take up to 18 months while review of new or renewal FESOP applications can take 270 days (approximately 9 months). Review of an application for a SSOA could take up to 60 days. Since a source is transitioned into the MSOP program through the construction permit program, there is no specified time frame within which MSOP issuance is required. Practically speaking, getting a MSOP takes the length of time to obtain the construction permit — either 120 days for a New Source Construction Permit or 270 days for a Federal PSD or Emissions Offset permit — plus the time it takes the source to complete construction and submit the Affidavit of Construction which moves the source into the MSOP program. Similarly, the time allowed for MSOP renewals is also not specified, but if the source submitted a timely and sufficient application, it can continue to operate under the existing MSOP until IDEM issues a renewal.

Modifications to any existing source can result in a change in the level of operating permit coverage

<http://www.IN.gov/idem/guides/permit/air/aioperatingpermits.html>

required. IDEM will evaluate the need for a change in operating permit level as part of any request for modifications to a source or its permit.

Fees

The following fees are assessed for the air operating permit program:

Range of Fees for the Air Operating Permit Program		
Permit Type	Application Fee	Annual Fee
Title V Operating Permit	None (and no fee for renewals)	\$1,500 plus \$33 per ton (to a maximum of \$150,000 or \$200,000 in Lake and Porter Co.)
FESOP (Federally Enforceable State Operating Permit)	\$3,000 (no fee for renewals)	\$1,500
MSOP (Minor State Operating Permit)	\$100 Filing Fee	\$200
SSOA (Source Specific Operating Agreement)	\$500	None Except \$600 for coal mines and \$800 for crushed stone processing plants with an annual throughput of 1 to 3 million tons per year and/or between 25 and 100 tons per year of particulate emissions
Permit-by-Rule	None (Some operators transition to Permit-by- Rule from another operating permit program)	None
Each Source with a Potential to Emit greater than 5 TPY of Lead		\$600
The Costs Associated with Monitoring Coke Oven Batteries		Up to \$125,000
Per Coal Mining Pit		\$600
Per Grain Terminal Elevator		\$200
Per Municipal Solid Waste Incinerator		\$25,000
Relocation Approval for a Portable Source	\$100	
Per Air Quality Network (Required per permit)	\$1,400	
Per Source Sampling Test (Required per permit)	\$700	
Per Opacity Monitoring	\$200	

For Additional Information

To obtain additional information regarding technical, general, or permit specific questions about the air permitting program, contact the IDEM Office of Air Quality Permit Reviewer of the Day by phone at (317) 233-0178, or by e-mail at OAMPROD@dem.state.in.us. You may also contact one of the IDEM-authorized local air offices. For more information, consult the state rules on air construction permitting and the website of the Office of Air Quality and the Office of Air Quality Permits page.

Another helpful, and much more detailed source of information than this document, is: Air: An Indiana Air Permitting Guide; New Source Review and Operating Permits, by Marcia Oddi, 266 pages, Published by the Indiana Chamber of Commerce in partnership with IDEM, 1998. ISBN 1-883698-18-9. To obtain a copy, contact IDEM at the number listed above. (However, it is important to note that since the time of this publication, the permitting rules have been revised; therefore some of the information in the "Air: An Indiana Air Permitting Guide" may have been affected.)

Disclaimer

This permit guide is intended to provide background information which should be useful in planning for a particular project that may require an environmental permit. It does not substitute for consultation with the appropriate regulatory agency and/or the appropriate rules or statute.